Statement

Disinvestment of PSU Shares

No.	No. of companies whose shares were sold	No. of shares sold (in crores)	Amount Realised (Rs. crores)
Year 1991-92			
First Round	30	51.62	1427
Second Round	16	35.59	1611
Total . . .	30	87.21	3038
Year 1992-93			
First Round	8	12.87	681.95
Second Round	12	31.06	1183.83
Third Round	9	1.01	46.73
Total . . .	16	44.94	1912.51
Year 1993-94	6	11.37	2291 (Provisional)

Exhibition of Pakistan Video Cassettes

*32. SHRI ,SATISH PRADHAN: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether Government have imposed *Any* restriction is on exhibiting video cassettes made in Pakistan;

(b) whether Censor Board has issued certificates to the video cassettes made in Pakistan;

(c) whether it is a fact that such cassettes are freely available in Delhi; and

(d) whether Government propose to buy exhibition rights for exhibit ing the popular Pakistani video cas settes?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROAIK:ASTING (SHRI K. P. SINGH DEO): (a) Under the Cinematograph Act, 1952, only such foreign films, (including video cassettes), as are imported in accordance with the import policy and are duly certified by the Central Board of Film Certification, can be exhibited to the pub. l'-c. Government have not imposed any specific restrictions on the import or video cassettes, made in Pakistan. z'

(b) No, Sir.

(c) Yes, Sir.

(d) So far no such rights have been obtained.

Action against foreign Banks in pursuance to JPc Report

*33. SHRI SUSHILKUMAR SAMBHAJTRAO SHINDE; SHRI RAJNI RANJAN SAHU:

Will the Minister of FINANCE be pleased to state;

(a) whether Reserve Bank of India has taken any steps against

Foreign Banks operating in India in pursuanc of the recommenda lions of the Joint Parliamentary Committee on Securities Scam; and

(b) if so, the details thereof indicating the specific recommendanins in the light of which these steps have been taken?

THE MINISTER OF STATE IN in a MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MUH THY): (a) and (b) In its report, the Joint Parliamentary Committee to en quire into irregularities in securities and banking transactions had recom mended inter alia that special scru tiny may be carried out by the Res erve Bank of India; (RBI) in all the foreign banks involved in the receut irregularities and the question of dis allowing repatriation of proSi- througH irregular securities transactions and other malpractices be considered. The Committee had also recommended that if was necessary that stringent penalities, including suspension of their licences be imposed on these banks keeping in view the extent of irregularities indulged in by each of them and that legal action should be pursued both in India and the foreign country concerned.

In pursuance of these recommenda-tions, the following steps have been taken by Reserve Bank of India.

In 1992-93, RBI had carried out detailed special scrutiny of securities transactions undertaken during April 1991 to June 1992 by all the foreign banks operating in India. In addition, special .iudit was conducted of four major foreign banks viz.; .Citibank, Bank of America, Standard Char-. tered Bunk (SCB) and ANZ Grind lays Bank. The repatriation of profits for 1991-92 of foreign banks which were engaged in irregular securities transactions was withheld. The R*Bl* has also written to all home country regulators of foreign banks involvec! in irregular securities transactions to look into them vis-a-vis ; the home country regula tions for taking appropriate action.

Licences for opening new branch Ulrica of the above mentioned for eigu banks have been- withheld *oy* Reserve *Bank,* of India. Foreign banks have-also 'been directed by Reserve Bank of India to fix staff-accountability for the irregularities in securities 1 :'ansactions.

In adlition, -teserve Bank of India has issued shoy cause notices to 20 banks including 9 foreign banks asking them to explain as to why the funds accepted by them unders Por-folio Management Services PMS), and deployel in violation of' RBl'a instructions, should not be treated as 'deposits'' for the purpose of deter-mining their Let Demand and Time Liabilities (NDIl.) for arriving at the minimum average daily cash balance to be maintained by them with HB1 as prescribed under Section 42 of the Reserve Bank of India Act, 1934. Similarly, in 11 e case of banks which has undertaken Ready Forward (R.F) deals in PSUbonds and units and also RF deals in Government and other approved securites as with non-bank clients, in violalaion of RBI prohibition in respect of luch transactions R3J has asked the banks as to why the funds obtained under such transactions should not be treated as "borrowings" for the purpose of deter mining NDTu. Consequently, the minimum aver ige daily balance re-quired to be maintained by these banks would increase and the banks involved may have now to pay back to RBI interest on cash balances already received by them. Also, such *banks may be required to pay pens) interest for the shortfall in cash balances. The aggregate amount of interest that may be recovered as well as the penal interest which may be levied amounts to about Rs. 147 crores.

Further, considering the lapse in observance of the regulatory frame-work, it has been decided, in the case of 35 scheduled commercial banks including 12 foreign banks, to withdraw, until further notice, the exemption given under Section 42(7) of the Reserve Bank of India Act, 1934 from maintenance of 10 per cent incremental cash reserve ratio. Accordingly with effect from the fortnight beginning August, 6, 1994, these banks will be required to maintain 10 per cent incremental cash reserve ratio.

Policy regarding: locations of Head quarters of Public and Private Sector Banks ...

*34. SHRI RAJUBHAI A. PARMAR;
SHRI SUSHILKUMAR SAMHAJJUAO SHINDE;

Will the Minister of FINANCE be pleased to state:

(a) whether Government have tak en any policy decision regarding the location of healquarters of Public and Private Sector Banks with speed: tic reference to the investment poten tial provided by an area; if so, the details in this regard;

(b) whether Government have re ceived any representations from Gujarat Chambers of Commerce or other public representatives or other rep-resentative bodies of Gujarat in this regard, especially with reference to the location of the headquarters of the newly set up UTl Bank; if so, what was their precise plea; and

(c) the Government's decision in regard thereto?

THE MINISTER OF STATE IN i THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) ; (a) The guidelines on the entry of new private sector banks issued by i the Reserve Bank of India provide that preference may be given in the matter of grant of licence to banks the headquarters of which are located in a centre which does not have the headquarters of any other bank. No policy decision has been taken regarding location of headquarters of public and private sector banks with specific reference to the investment potential of an area.

(b) and (c) The Government have received representations expressing concern over the fact that though the registered office of, UTI Bank Ltd. is situated in Ahmedabad, the ad-ministrative office of the bank is in Bombay. It has been suggested in these representations that the administrative office of the bank should be set up either in Ahmedabad or any other suitable place in Gujarat instead of in Bombay.

In this connection, Reserve Bank of India have intimated that the condition stipulated in the 'in principle' approval for location of the registered office of the bank in Ahmedaad has been fulfilled. The location of the administrative office is left to the discretion of the bank concerned.

Replacing sales tax with value added tax VAT)

*35. SHRI O. P. KOHLI: Will the iviinister of FINANCE be pleased to state:

(a) whether a meeting of the Finance Ministers of the States was held in Dalhi recently to consider unifying the sales tax rates all over and to replace Sales Tax with Value Added Tax; and

(b) if so, the details of matters di-scussed and the decisions taken thereon as also the action taken thereon?

THE MINISTER OF STATE' IN THE MINISTRY OF FINANCE